

**UNITED STATES BANKRUPTCY COURT FOR THE  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	<b>BANKRUPTCY CASE NO.</b>
	§	
<b>FEX, INC.,</b>	§	<b>10-33843-H5-11</b>
	§	
<b>DEBTOR</b>	§	<b>Chapter 11</b>

**EMERGENCY MOTION FOR AUTHORITY TO USE CASH COLLATERAL**

COMES NOW FEX, INC., Debtor, and files this its Emergency Motion for Authority to Use Cash Collateral, and in support thereof would respectfully state as follows:

1. Movant is the Debtor and Debtor in Possession herein.
2. Compass Bank, Main Street Bank, Wells Fargo Bank, N.A. and Mission Milam Investors, L.P. assert a security interest in all of Debtor's inventory, receipts and accounts receivable to secure the indebtednesses owed them by Debtor.
3. Debtor needs to continue its business herein in order to be able to propose a plan of reorganization.
4. Debtor has no alternative borrowing source and to remain in business must be permitted to use its funds collected from providing its services to pay its employees and pay for necessary expenses, such as insurance, utilities, repairs, maintenance and office expenses.
5. This motion is an emergency motion under Bankruptcy Rule 4001(b)(2). Pending a final hearing on the relief requested by this motion, the Debtor needs to use the cash collateral to avoid immediate and irreparable harm to the estate in that absent such use the Debtor would be required to cease operations.
6. The cash collateral at issue herein is the Debtor's receipts and accounts receivable from membership dues in its health and fitness club. Debtor is requesting authorization for use

of cash collateral for 15 days in the amount of \$24,070.83. Obviously, Debtor consents to giving these creditors replacement liens on all of their security.

WHEREFORE, premises considered, Debtor respectfully moves this Honorable Court to authorize its use of cash collateral on an emergency basis and at a final hearing, and for such other and further relief as is just.

Respectfully submitted,

/s/ Margaret M. McClure  
MARGARET M. MCCLURE  
State Bar No. 00787997  
2 Houston Center  
909 Fannin, Suite 3810  
Houston, Texas 77010  
(713) 659-1333  
(713) 658-0334 (fax)  
McClureMar@aol.com (e-mail)

ATTORNEY FOR DEBTOR

## Fex, Inc.

Payroll May 5th	21,533.59	
Helen Norris	160.00	Employee
Andrew Pantos	210.00	Employee
Theo Boyce	35.00	Employee
Christine Spray	220.00	Employee
Andrew Pantos	41.56	Employee
Matt Walker	55.87	Employee
Cirro Energy	1,500.02	Electricity
City of Houston, Water Dept.	204.98	
CenterPoint Energy	109.81	Gas
<b>Total Due Next 15 Days</b>	<b>\$24,070.83</b>	

**Estimated Income Next 15 Days**

Sales	12,000
EFT Funding	14,350

<b>Total</b>	<b>\$26,350.00</b>
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was mailed electronically or mailed by first class mail, postage prepaid, or faxed this 5th day of May, 2010 to the following:

Mr. Charles F. McVay  
U.S. Trustee  
515 Rusk, 3rd Floor  
Houston, Texas 77002

Mr. Jerry Sparks, Executive Director  
4826 Washington Avenue  
Houston, TX 77007

Ms. Darla C. Carlisle  
Weycer, Kaplan, Pulaski & Zuber, P.C.  
11 Greenway Plaza, Suite 1400  
Houston, Texas 77046

ATTORNEY FOR WASHINGTON/SHEPHERD PARTNERS, LTD.

Compass Bank  
701 32nd Street South  
Birmingham, AL 35233

Genesis Commercial Capital, LLC/  
LEAF Funding, Inc.  
17551 Gillette Avenue  
Irvine, CA 92614

Genesis Commercial Capital, LLC/  
Pentech Financial Services, Inc.  
910 E. Hamilton Avenue, Suite 400  
Campbell, CA 95008

Genesis Commercial Capital, LLC/  
LEAF Funding, Inc.  
P.O. Box 60607  
Santa Barbara, CA 93160

Genesis Commercial Capital, LLC/  
Pentech Financial Services, Inc.  
17551 Gillette Avenue  
Irvine, CA 92614

Internal Revenue Service  
P.O. Box 21126  
Philadelphia, PA 19114

Internal Revenue Service  
Special Procedures Branch  
Insolvency Section II (7,11)  
1919 Smith Street, Stop 5025HOU  
Houston, TX 77002

Internal Revenue Service  
c/o United States Attorney General  
U.S. Department of Justice  
10th & Constitution, N.W.  
Washington, D.C. 20530

Internal Revenue Service  
c/o United States Attorney  
Southern District of Texas  
P.O. Box 61129  
Houston, TX 77208

Main Street Bank  
23970 US 59 North  
Kingwood, TX 77339

Mission Milam Investors, L.P.  
3300 S. Gessner, Suite 270  
Houston, TX 77063

Pawnee Leasing Corporation  
700 Centre Avenue  
F. Collins, CO 80526

Sterling Financial, Inc.  
4200 Somerset Drive, #132  
Prairie Village, KS 66208

Texas Comptroller of Public Accounts  
c/o Mr. John Mark Stern  
Office of the Attorney General  
P.O. Box 12548  
Austin, TX 78711-2548

Wells Fargo Bank, N.A./  
Financial Pacific Leasing, LLC  
P.O. Box 4568  
Federal Way, WA 98063-4568

Wells Fargo Bank, N.A./  
Financial Pacific Leasing, LLC  
MAC N9311  
161 Sixth and Marquette  
Minneapolis, MN 55479

/s/ Margaret M. McClure  
MARGARET M. MCCLURE